J. Wayne Hilton
2 Oakmont Lane
Aiken, SC 29803

January 30, 2006

Mr. Eric P. Newman
6450 Cecil Avenue
St. Louis, MO 63105

Dear Mr. Newman:

Subject: **ULTRA-RARE CONFEDERATE TREASURY NOTES**

I was provided your address last summer by our mutual friend Karl Moulton, from whom I have purchased several historical numismatic books. I am a very passionate collector of ultra high-grade, rare Confederate Treasury Notes, owning ten complete type sets of the 72 notes that comprise a type set, according to Grover Criswell's nomenclature. My objective is to ultimately possess all 720 notes in "Choice Uncirculated" condition, admittedly an ambitious – no, laughable – goal, as I am unaware of *any* Uncirculated Type-11s ("Liberty & Eagles"), Type-27s in any of the nine plens ("Eagle & Shields"), Type-35s ("Indian Princesses") or Type-38s ("$2 Error Notes").

I am writing you now because I purchased John Ford's correspondence files for 1954-1958 from George Kolbe this past June. I was intrigued by George's description of these letters and with whom they were exchanged: Confederate luminaries like Sydney Kerksis, Howard Spain, Grover Criswell, Clarence Criswell…. and you.

Your place on the all-time numismatic honor roll is unquestioned and assured, but I was unaware that it extended as far as Confederate Treasury Notes. In 1955 you and Ford exchanged a series of letters about the very rare "Eagle & Shield" note and in particular, plate A15 serial number 48, which you owned and felt was the finest "Eagle & Shield" note in existence. Ford wished to purchase this note, but you proposed – and he accepted via a most amusing "contract" (a copy of which is enclosed as Attachment I) – that you loan him your note in exchange for his finding you a note "in the same or better state of preservation" as your serial number 48.

Apparently Ford was never able to find you an equivalent or better note, because I purchased Ford's "Eagle & Shield" notes via private treaty about ten years ago, and serial number 48 was not included. The collection, brokered by Harvey Stack, consisted of all eight of the A9 – A16 plates, a duplicate of the A15, and two of the Ab plen – a total of eleven notes. Ford apparently acquired all these notes after your loan to him in 1955. Virtually all came from the Historical Society of Pennsylvania in 1963; of course, these notes are pedigreed to the fabled John C. Browne, whose type set of 88 notes was sold in 1922 by Stan Henkels. Each of Browne's 88 notes, including the "Eagle & Shield" and "Indian Princess", was graded as "Uncirculated." The thought of such a type set still gives me goose bumps.

Several of the notes I obtained from Ford, plus a couple that I have acquired from other sources (I own a total of twenty "Eagle & Shields"), are of an exceptional state of preservation. I would be honored to have the opportunity to compare a few of mine to your serial number 48, if you would permit me to come to St. Louis sometime later this winter or early spring. In addition to Karl Moulton, I can also offer George Kolbe, Dan Hamelberg, Harvey and Larry Stack, Frank Campbell and numerous currency dealers as references. *Would you consider such a visit, which would be scheduled completely at your convenience?*

A second reason for a possible visit to St. Louis is to discuss the George O. Walton "Indian Princess" auctioned by Stacks in October, 1963 (see Attachment II for description). This note, graded "About Uncirculated" by cataloguer John Ford, was sold to Grover Criswell for the then unheard-of price of $1,100. Criswell in turn immediately placed the note with a client, and the note has not been seen since.

After Grover's death, I arranged with his widow Dolly (who died last year) to rent Grover's files, which included virtually all his transactions from the mid 1950s until his death in the late 1990s. I spent several years reviewing all these files, page by page, but never found an invoice for this note. I did find references to this note when Grover was offering other choice "Indian Princess" notes for sale – comments like, "I consider this the third finest Indian Princess known after the finest known I sold in 1963 and resold twelve years ago" – but never did I find an actual conveyance of Walton's note to another party.

With Grover's death and the subsequent death of Douglas Ball (the underbidder for the Walton note) in 2003, I know no one with first-hand knowledge of this elusive note. (Harvey Stack remembers the sale well, but has no idea who Grover's client might have been.) Through much research over the past twenty years, I have reason to believe the note was acquired by a gentleman who lived in or around Louisville, KY, but who died perhaps five years ago, leaving the note and a magnificent collection of gold coins to his son. While I have no doubt that this family owns a superb "Indian Princess," I am not sure that they own Walton's note, as they have been unwilling to share the serial number of their note.

Since it has become common knowledge among high-end Confederate collectors that I am seeking this note, I have been offered several quite nice Indian Princesses over the years – some of which I have purchased and are part of my existing ten Princess notes. But I have never seen *any* Indian Princess which even remotely comes close to grading AU, as did the Walton note. (I am sure that the AU grade was justified, as underbidder Doug Ball, my close friend for a number of years, also graded this note AU. As you know, Doug was considered perhaps the most conservative currency grader of the past 30-40 years.)

Is it possible that your choice Indian Princess might be Walton's note? I further wonder if the so-called "Uncirculated" Indian Princess found in John Browne's collection sold in 1922 might be the Walton note. I have a copy of the Browne sale, with buyer names, which shows that the lot immediately following Browne's type set was purchased by "Walton." George O. Walton would have been only 15 at the time of the Browne auction and probably too young to be the purchaser. But, seeing "Walton" in such close proximity to Browne's stunning "Uncirculated" type set certainly adds another element of intrigue to my search. *This is the second reason I would relish the chance to sit down with you in St. Louis: to discuss George Walton's, or equivalent high-grade "Indian Princess" notes.*

The third reason I am now writing you is to determine your interest, if any, in a $3 State of Missouri note, on cream-colored plain paper, printed by A. Malus, New Orleans (Criswell-7). I acquired this note as part of a small group of 30 or so notes, two of which were an Uncirculated $50 Montgomery and an Extremely Fine $10 Essay (or a "fantasy counterfeit", as Doug Ball called the essays). I do not collect state notes, but think this note might be somewhat rare. It was sold by Grover Criswell in 1994 for $675 and marked from the "Late Larry Marsh Collection". Grover stated that it was extremely rare and only the second one he had heard of – but Grover's hype was legendary, so I do not know its true value.

I have held onto this note for several years, neither knowing its real rarity nor many Missouri collectors who have some interest in it. *If you have some interest, I would be glad to discuss its sale or trade, as I am not attached to it.* A color copy of it is enclosed inside the attached sleeve.

Finally, you may recall that Frank Campbell introduced us at the ANS Library in New York in 1999 or 2000. I was continuing my research on my analysis of all American auctions from 1861 to date to determine the annual price appreciation on Confederate Treasury Notes. Since we met, I have completed the data collection of my project – over 4,000 auctions were examined – and I am now compiling the data points.

I wish to answer this question: If a Confederate soldier returning home at the end of the Civil War had but $5 to invest, would he maximize his return by buying common stocks, investing in housing, or buying "worthless Rebel money"? Given that the first $1,000 Montgomery note sold for $4.75 in a W. Elliot Woodward auction in December, 1865, and the most recent for $63,250.00 in a Smythe auction in June, 2003, "worthless Rebel money" might not be so worthless after all! (I purchased the so-called census-condition $1,000 Montgomery, serial number 55 previously owned by Bob Medlar, for $65,000 in November, 2001. I wrote an article about this note that appeared on the front page of the May, 2002 issue of *Bank Note Reporter*. Please advise if you would like a copy.)

During our brief discussion in New York, you suggested that I write an article about my namesake, Winthrop Hilton, the Confederate counterfeiter. I was in the middle of collecting data for my project at that time and did not want to break away, so I relayed your suggestion to Brent Hughes, the Confederate columnist for *Bank Note Reporter* (*BNR*) at the time. Indeed Brent did write such an article, but he died shortly before it was to be published. To my knowledge, it was never published and probably never will be, as the family has retained the copyright.

Brent gave me a copy of this article shortly before his death, with a "Post-It" appended admonishing me not to release it until it appeared in *BNR*. Since that will probably never happen, I think Brent would be honored if I gave you my own copy, which I have enclosed as Attachment III. Please keep it with Brent and my compliments.

I look forward to hearing from you about a possible visit to St. Louis to discuss and compare "Eagle & Shield" and "Indian Princess" notes. Please let me know if you have any interest in the $3 Missouri note, and I hope you enjoy Brent's article on Winthrop Hilton. You can reach me at the mailing address on page one, via phone at home at 803.649.7742 or via email at:
[redacted]

Karl told me not to say that it is an honor and privilege to correspond with you, so I won't say it.

Warm personal regards.

Sincerely,

J. Wayne Hilton

J. Wayne Hilton

cc: Mr. Karl Moulton

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

J. Wayne Hilton
2 Oakmont Lane
Aiken, SC 29803

February 7, 2006

Dear Mr. Hilton:

What a refreshing and fascinating letter you wrote on January 30, 2006 to a person you momentarily met a long time ago.

You are lucky to specialize in Confederate paper money while I have for 80 years been unable to adjust my mind to specialize on anything but the whole American numismatic field. I just received the new Confederate book by Fricke and the book on Confederate counterfeits, along with a pile of others and have not had the chance to study any of them.

Your Confederate paper money collection must be spectacular and I congratulate you. Your multiple examples of the same items shook me up.

I thank you for the Brent Hughes manuscript which you say is restricted from publication. He was my friend and a skilled researcher but his possible belief in Arlie Slaubaugh's speculation about Hilton is without any furnished proof and should therefore not be published under such circumstances in any event.

I enjoy numismatic research and writing as well as collecting. As you may know, I once operated a money museum for the public for 20 years and am now putting a new money museum in a large Arts Center on the campus of Washington University in St. Louis which center is now under construction and will be open late in 2006.

Your many matters for discussion between us are most interesting and your suggested visit is most welcome. My time constraints are such that I cannot schedule any more research, discussion or visits from others until after the museum opens.

Thank you for writing me and raising subjects which not only bring back memories but which make numismatics such a wonderful discipline.

To our future get together,

Sincerely,

Eric P. Newman

6450 CECIL AVENUE ST. LOUIS, MISSOURI 63105 [redacted]

J. Wayne Hilton
2 Oakmont Lane
Aiken, SC 29803

February 18, 2006

Mr. Eric P. Newman
6450 Cecil Avenue
St. Louis, MO 63105

Dear Mr. Newman:

I am in receipt of, and most appreciative, of your letter of February 7. Earlier this morning I exchanged a series of emails with our friend Dan Hamelberg, who continues to help me with prices realized from his remarkable numismatic library.

Your comments about Brent Hughes' manuscript on Winthrop Hilton are well taken. Indeed, I can advise you that another of our mutual friends, Fred Reed, who now writes the Confederate column for *Bank Note Reporter*, has an upcoming article on Winthrop Hilton which he advises is the first well-researched article ever on this rather enigmatic individual. I have asked Fred for an advance copy of this article, with specific instructions that I plan to share it with you. You helped all of us in the Confederate collecting fraternity with the three very early Scott catalogues you shared with Fred earlier, and I would like to see us do the same for you.

I look forward with great anticipation to our discussions in the future. I am particularly keen on what you might share with me in reference to the so-called "George Walton Indian Princess" or other nearly uncirculated Princess notes. I own several high-powered specimens of these elusive notes, but I would not grade my very best any better than Very Fine, perhaps Very Fine +.

I was not aware that you are putting in a new museum on the campus of Washington University. I will certainly plan to visit it when we schedule our get-together later this year. Because of your time constraints and commitments in opening your museum, you advised that we would be unable to get together until after the grand opening in late 2006. This is certainly understandable.

I had already planned to attend the PCDA Paper Money Convention in St. Louis, to be held November 16 – 19, 2006. Will your museum be open by then? If so, perhaps I could spend a day with you either during the convention, or I could stay over a day or two the following week (Thanksgiving is November 23 this year). Obviously, if these dates won't work, we can schedule a date for even later in the year, as your schedule permits.

Will any of these dates work for you?

Personal warm regards.

Sincerely,

Wayne Hilton

J. Wayne Hilton

[redacted]